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THE WORKINGMAN AND FREE SILVER.

BY T. V. POWDERLY, GENERAL MASTER WORKMAN OF THE
KNIGHTS OF LABOR.

THE mechanic and the laborer are as deeply interested in the free coinage of silver as the farmer can possibly be. The latter, it is true, owns more of the earth's surface, but, after all, he can extract from it only a living; the mechanic and the laborer are entitled to as much, if they earn it, and at death all will take leave of earth on an equality, so far as being burdened with the care of baggage or property *en route* to eternity is concerned. In earning a livelihood and in paying as they go, all are equally concerned in the medium of exchange which enables the agriculturist to purchase the machinery and tools he requires and affords the laborer the means of procuring the products of the farm as an exchange for the labor expended on the machinery and tools aforesaid. The workman of the city or town, who has no capital save his labor, sets as much store by that labor as does the farmer by his farm or the millionaire by his millions; it is his all, and should he be deprived of the right or power to exercise it, he would have lost his all. No man could lose more, no matter how wealthy he might be.

To the laborer, then, the currency question is as important as to any man in the land. If the currency is so costly, intrinsically, that but few can afford to possess a great deal of it, or if the material of which it is made is subject to speculative traffic, the opportunities to secure steady employment will vary in proportion to the fluctuations in the price of the commodity of which the money is made. If it will yield a greater profit to sell silver or gold as a commodity than to invest it, as money, in the building, stock, and machinery of a factory, it will be sold as a commodity.

If the workman of the city could hold his labor in the hollow of his hand and regard it as a tangible, real possession, something that he could hold to await an advance in price or value, he would set more store by it than he does, and he would part with it more reluctantly than at present. The farmer enters more deeply into the act of selling and buying; he is found more intimately concerned in the regulation of market prices than the city workman, and, as a natural result, takes keener interest in anything that enters into the regulation of prices. The farmer has been heard on the silver question; and the city workman, although he has not spoken out on the subject, holds views identical with those of his neighbor on the farm. So far as the laborer is concerned, he could get along very well if there were no gold or silver. He did exist and prosper during and after the Civil War, seventeen years in all, without feasting his eyes on a piece of gold or silver coin. It may be said of the laborer that he is in favor of a circulating medium that will be a full legal-tender for all debts public and private, the same to be issued by his government, as authorized by the constitution of the United States, without the intervention of any banking concern whatever. As to the material of which this money shall be composed, he is not particular except so far that it shall not be of a material that may be monopolized and withdrawn from circulation through war, panic, or speculation. He receives his earnings at the end of each month or week, and never complains that the money paid him rarely contains either silver or gold; he is not disturbed in mind because it is composed entirely of paper, except the fractional part, which is in silver that is of a less intrinsic value than the silver dollar was or will be; and he never hears any complaint from Americans because of the inferior quality of this fractional currency.

Object-lessons are the best, it is said, and what he witnesses every day cannot fail to leave its impress upon his mind. He saw a nation pass through the throes of a civil war equalled in bitterness and fury by none; he saw the hard money of the nation, or, rather, the hard-money men of the nation take themselves to Europe for safety, and on the strength of their hard cash attempt to loan money to this government—not gold and silver, but paper, at rates of interest ranging from 10 to 33 per cent.; he saw a patriot President stand up between the nation and the usurers in a demand

upon Congress to issue a full legal-tender paper currency ; he saw \$60,000,000 of a full legal-tender paper currency circulate until children old enough to read of the war that had ended, and who had never seen a piece of gold or silver money, were told that years ago gold and silver were money, but were no longer used as such. Then in Congress, at the behest of the owners of gold, silver was secretly and stealthily demonetized. This the laborer did not see, nor the President who signed the bill ; and within the last few months statesmen who were Senators and Congressmen in 1873, when the demonetization of silver was accomplished, have admitted voting for the bill without knowing that it contained the demonetization clause. One statesman has not denied a knowledge of that act of treachery to the people—John Sherman—and he is to-day the subject of adverse criticism by nearly every living man who sat with him in the Senate when that bill was adopted without question, on his word that it contained nothing that interfered with the coinage of the silver dollar. Gold is the legal standard to-day because the bankers, brokers, and gold-owners of the world influenced Congress to make it so ; the people never demanded it, never uttered a sentiment that could be construed in favor of monometallism, never petitioned Congress or a Congressman to pass such a law. It was done when a bill, with sixty-seven sections, as long as the moral law, was under discussion, and was passed through Congress without question, because that body had faith in the honor of a committee of three of which Mr. Sherman was chairman.

It could not have been the American needs of finance that urged Congress to demonetize silver, for neither gold nor silver had been in circulation for years. The enactments of July 17, 1861, and February 12, 1862, authorized the issue of \$60,000,000 treasury notes that were a full legal-tender, without exception, for all debts, dues, and demands. Within a week after the adoption of this last act the bankers of New York, Boston, and Philadelphia held a convention in Washington, and resolved to protest against the government issuing the currency directly to the people. If a full legal-tender paper money should continue to issue to the people, there would be no further demand for gold, and *Shylock* would be cheated out of his pound of flesh. The result of the deliberations of that convention were made known to the country when Congress, on the 25th of February, 1862, passed an act which declared

that the greenback should be a "legal-tender for all debts, public and private, except duties on imports and interest on the public debt," which from that time on should be paid in coin. The adoption of that act, known as the "exception-clause act," created a demand for a metallic money. Gold and silver had been withdrawn from circulation, and for years after the Civil War were known as money only in the resorts of the money-changers. Shortly after the ending of the Civil War the resumption of specie payments began to be agitated, and if that should come to pass, with gold and silver standing on the same ground of equality which they had occupied from the founding of the government, the bondholder would have to accept the interest accruing on his bonds in coin of either metal. A bill to revise the laws relating to the mints was adopted by Congress early in 1873, and in it was concealed the clause which demonetized the silver dollar and gave the gold the monopoly. Then came the Resumption Act of January 24, 1875, and from that time forward the interest on the public debt must be paid in gold. The public debt at the time the Demonetization Act was passed was \$2,234,482,993.20. The Resumption Act did not intend that those who earned money through labor should be paid in specie; its intent was to pay the bondholder a different kind of money from that with which he purchased his bonds, and as the principal and interest of that debt must be paid by labor or not at all, it will be seen that the burden has fallen upon the shoulders of those who labor in the United States. The difference of half a billion of dollars on the principal, and the interest on the whole ever since 1873, coming from the sweat of the mechanic and the laborer, ought to cause him to take an interest in the free coinage of silver.

The term "free and unlimited coinage of silver" is misunderstood. Many believe it to mean that everything in the shape of silver, bullion or otherwise, will at once be coined in unlimited quantities and thrown on the street. Only those who have silver to coin will take it to the mint, and only those who earn it will or should legally be permitted to possess it. "But then foreigners will send their silver here to be coined if it is free, and that will give us too much money," is another cry. If a dollar's worth of silver comes from across the water, a dollar's worth of some American product will be exchanged for it, unless the foreigner is reckless enough to send his bullion for nothing. If he

does, we are the gainers. If he desires to coin his silver into American dollars, they must circulate here and pay for labor and commodities here ; for as soon as they go abroad they must go through the crucible and appear in another form, as the money of another nation ; and gold must do exactly the same. Every argument that has been or will be used against silver can with equal force be directed against gold, for there is no such thing as "money of the world." We see no foreign coin in circulation here. There is no American coin in circulation in any other country. The fact that both gold and silver are susceptible of so many currency changes causes the workman to believe that paper is the best material of which to make money ; it is cheap, it cannot be monopolized, it cannot be melted into coin of another nation, and if it goes abroad it will, like a true American, come home ; not that alone, but it will come home in payment for the product of American labor. Should war invade our domain, a paper currency would not play the coward's part, as did gold and silver in 1861, and flee from us ; no man could turn it into anything that he could take out of the country to our injury.

The cry that "we will have too much money if silver is re-monetized and made the equal of gold" is unworthy of consideration. No nation ever yet complained of having too much money or suffered through that cause. Hard times and panics are due to contractions and not expansions of the currency. Contraction of the currency is not possible where the government itself, acting under its constitutional right, issues the currency directly to the people without the intervention of individuals or corporations. There will be more money in the hands of the people, in bona-fide circulation, if free coinage of silver is restored to where it was up to 1873. We are warned against interfering with vested rights by those who object to free coinage. From 1792 up to 1873, a period of eighty-one years, silver stood side by side with gold as the constitutional money of the United States. The right of silver was a vested right in 1873. No party platform or demand from the people called for its debasement by Congress. It was not because silver was less valuable than gold that it was demonetized, for at the passage of that act it was worth three cents more than gold. All legal decisions and precedents are against that act of Congress ; it was not demanded by the people, has never been approved by them, and cannot be defended from any other standpoint

than as an act stealthily perpetrated in the interest of the power that controlled gold, or that hoped to control the nation through the use of gold. It was to make money scarce that the act was passed, and it succeeded. If anything in existing circumstances warranted the belief even that the volume of gold would be sufficient to transact the business of the nation, there would have been an excuse for the action of Congress, but such was not the case.

The total production of gold in the United States in 1890 was valued at \$32,800,000. I do not know what percentage of that amount is consumed in the fine arts and in the jewelry trade, but it is safe to assume that at least one-half will be devoted to these uses, leaving about one-half, or \$16,400,000, for use at the mints. The total volume of currency as given in official reports last year, including gold, silver, and paper, was \$2,096,344,895. Of that amount \$634,010,285 was gold, \$458,134,057 silver, and \$1,004,200,553 was made up of the different issues of paper currency. With less than a third of the currency composed of gold, and a total of over two billions of dollars required for use each year, it is simply impossible for gold to constitute an equitable or honest basis for our currency. It must not be forgotten that less than \$295,806,831 of the gold coin was in actual circulation; but if we add to that the gold certificates, amounting to \$57,862,759, we would then have only \$353,669,590 of gold and its representatives in actual circulation. With a population of 62,000,000 people in the United States, we have but a fraction over six dollars per capita of gold in circulation; and with gold as the basis, with the law in existence which authorizes the citizen to demand gold, we find ourselves at the mercy of cliques, rings, and cabals, if they should conspire to ruin our credit as a nation. Three citizens of the United States, Jay Gould, William Waldorf Astor, and John D. Rockefeller, own a combined total of \$360,000,000; over six millions more than the actual circulation of gold coin in the United States. If we are to regard gold as the basis on which our currency is to rest, as at present, the three men named have it in their power to withdraw every gold dollar from circulation without any warning or notice whatever; they may absorb and carry out of the country the basis of our national currency, and do it under authority of law.

The census returns estimate the wealth of the nation at

\$1,000 per capita, and with gold as the basis each \$1,000 worth of property must be represented by a fraction over six dollars in gold. It is necessary that we have a basis or measure of values, and if gold is to perform that function, those who are wealthy enough to corner gold may corner the nation itself if they desire. The workman's home may be worth from one to five thousand dollars; but the moment the gold gamblers begin to call in the money made of that metal, the mines and workshops will shut down or go on short time, and he has to mortgage his home in order to live. This could not be done with the currency of the nation composed of gold, silver, and paper based upon the faith and resources of the nation and circulating as legal-tender for all debts public and private. The workman is therefore in favor of silver, for it is a step toward supplying the country with a sufficient volume of money to transact the business of the same. A circulating medium based upon the resources of the nation is not so easily tampered with as one based upon gold; it is safer and more patriotic; besides it is not so easy to take \$1,000 worth of property out of the country as it is to carry six gold dollars beyond the border of the seas.

"But we want a currency that is redeemable; our paper money is no good in Europe and we cannot use it there," is another argument against silver and paper. Those who repeat that cry oftenest never go to Europe, never deal with any person, corporation, or firm located there, and never have any use for the "money of the world," as they put it. A man may own a million dollars in gold and give his note for \$10, and if he has no real estate in this nation his note is not redeemable, and the furthest the debtor can go toward collecting the bill will be to get judgment against him. That judgment will be worthless while the man against whom it issues is the possessor of no real estate in the United States.

With gold as the alleged basis our currency is irredeemable in that metal, and as years grow upon us it will become more so, for the total annual output of gold of the entire world, \$121,162,009, is not sufficient to supply this nation alone with a circulating medium sufficient for all demands of the people. The statement that gold furnishes a safe basis is a delusion and a snare. A resolve upon the part of the people to demand gold as payment of one day's labor or business would burst the

bubble. The circulating medium of this nation is in reality based upon the faith of the people, and nothing in the shape of gold sustains it. Every time a man buys a dollar's worth of meat or flour he redeems the dollar he expends. He need not question the future of that dollar ; it has served its purpose with him and that is sufficient ; in fact, that is all that money is intended to do, or can do, for it is intended to represent value and need not be, of itself, intrinsically valuable. The redemption is not in exchanging one kind of dollar for another, but in getting pay for the dollar in food or clothing.

“ If free and unlimited coinage is restored, it will benefit the owners of silver mines and give us an eighty-cent dollar to circulate with the gold dollar,” is another fear entertained. Such an argument applies with equal force against the use of gold, for our present system gives the owners of gold mines a monopoly over all others. The monopoly enjoyed by gold employs but little labor in comparison with what would be employed if silver were admitted to free coinage : a stimulus would be given to labor in the West, and the prosperity of that part of the country could not possibly have a bad effect on the East. In any event, to ask for free coinage is not the heretical demand the apologists for gold would have us believe, for it is only a demand for what we had and enjoyed from the founding of the republic up to 1873. Shall we have an eighty-cent dollar running neck and neck with one containing one hundred cents ? Remonetize silver, and it becomes as legitimately a dollar as is gold ; the sliding scale which is expressly provided may at all times determine the ratio between the two coins, and, once remonetized, the commodity value of silver will cease to exist.

In no market has gold a commodity value to-day ; it is not quoted anywhere as a commodity, simply because it has been admitted to free coinage as money. Pokers are made of iron, but once forged into pokers they are no longer quoted as iron and are used as pokers until necessity shall demand a change, when they may be forged into fence railings or something else. While they are pokers they are valued only as pokers and nothing else, and a gold poker or a silver poker will have no more value as a poker than an iron one. There will be this difference, however : there will always be more of a temptation to hide the gold and silver pokers away than those made of iron, and as a consequence the

iron ones will be most reliable for every-day use until a cheaper and equally durable metal is discovered, when iron will have to give way. What is true of pokers is true of currency; the material should not be too costly or difficult to produce.

The mechanic and the laborer favor the free coinage of silver only as a step forward, for they believe enough money should circulate to do the business of the nation ; and when money can be made of paper that will be as difficult to counterfeit, as safe and reliable in every way, and, above all, of material so cheap that the government, of which they are a part, will not have to pay exorbitant prices to gold and silver miners, they believe that Congress should do in 1892 what it did in 1862—issue a full legal-tender paper dollar based upon the only thing that can make money really valuable, the faith and resources of this go-ahead nation.

T. V. POWDERLY.